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item of \$2,000, has, upon the motion of Representative Burton, of Ohio, been amended to read \$4,000. The original item read: "For the contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration at Brussels, Belgium, \$2,000." The Committee on Foreign Affairs of the House have reported a bill, H. R. 10213, recommending that the amount for the Interparliamentary Union be \$4,000. In support of his proposed amendment and of the recommendation of the Committee on Foreign Affairs, Mr. Burton pointed out that the Interparliamentary Union is of increasing importance; that there is a reliance on the United States for leadership in it; that it enables them to maintain a close touch with foreign countries; and that it is of especial importance in the promotion of good will. This action by the Congress will operate most beneficially in the legislatures of other lands; but, furthermore, it will encourage the work of the Interparliamentary Union throughout the world. It is another evidence of the fact that the United States is neither insular nor unmindful of the weal of other nations.

THE GENOA CONFERENCE AND BRITAIN'S PART

By DAVID LLOYD-GEORGE

(Below is the text of the notable speech made by Mr. Lloyd-George in the House of Commons on April 3. It is reprinted through the courtesy of the New York Times.—THE EDITOR.)

PERHAPS the House will permit me to thank it for the very kindly indulgence it extended to me during the short period of enforced rest which I have been endeavoring to enjoy. (Laughter.) I am afraid I was pelted with crises during that period, but the House itself seems to have taken no part in that new form of popular entertainment.

The resolution which I have the honor to move is very much of the same character as the resolution which was moved before the Washington Conference; but it gives the public an opportunity of approving of the objects and purposes of and delegates to the Genoa Conference. It also affords the House an opportunity of disapproving of either one, or two, or three.

I have been informed in quarters where I get all information about myself—I mean the press—that this resolution is not the original resolution which I submitted to the judgment of my colleagues; that it is completely transformed, or, as it is called, revised. As a matter of fact, it is exactly the resolution which I suggested a fortnight ago, and my colleagues were good enough to accept in the very form in which I submitted it for their acceptance.

There are conflicting criticisms of this proposal arising from an infinite variety of amendments which have been tabled. Some suggest it is going too far. There

are more numerous critics who suggest that it does not go far enough. And probably they both agree that the particular delegation which is to go to Genoa is not the one which will meet acceptance from Parliament. (Hear, hear!) That shows I am a very fair interpreter of the criticisms of my political opponents.

If the resolution is defeated for any reason, whether it is because the purpose of the conference is not acceptable, because the policy and principles which are laid down do not meet with the approval of the House, or because the House of Commons would prefer there should be another delegation to represent this country at Genoa, then it will be equivalent to a vote of no confidence in the government. (Opposition cheers.)

THE ISSUES INVOLVED

Why has the conference been summoned? The issues involved and principles and purposes are set forth in great detail in the Cannes papers, which have been circulated to the House and which members have had full opportunity of perusing. In fact, there is nothing I can say which would add to the information contained in these documents and I am not sure I can do anything to elucidate them.

The conference has been called to consider the problem of reconstruction of economic Europe, devastated, broken into fragments by the devastating agencies of war. Europe, the richest of all countries, the continent which possesses the largest amount of accumulated wealth and certainly the greatest machinery for production of wealth, and the largest aggregate of human means, with highly civilized needs and with highly civilized means of supplying those needs, and therefore Europe the best customer in the world and of the world, has been impoverished by the greatest destruction of capital that the world has ever witnessed.

If the European countries had gathered together their mobile wealth in one pyramid and set it on fire, the result could hardly have been more complete, as far as the capital wealth of Europe is concerned. International trade has been disorganized through and through, the recognized medium of commerce, exchange based on currency, has become almost unworkable. Vast areas upon which Europe had hitherto depended for a large proportion of its food supplies and its raw materials are completely destroyed for all purposes of commerce.

NEW ARTIFICIAL RESTRICTIONS

The nations, instead of co-operating to restore it, are broken up by suspicions and are creating difficulties and new artificial restrictions. Great armies are ready to march, and the nations already overburdened with taxation are having to bear additional taxation which the maintenance of these huge armies, to avoid suspected dangers, has rendered necessary.

Genoa has been summoned to examine the best method of restoring order out of this welter and recovering prosperity out of this desolation.

The purposes are very fully set forth in this document. It is the press notice—if the honorable members would do me the kindness, if they have the papers with them, of just looking at the first notice which was issued officially by the conference, which was a story carefully prepared by the ministers and experts; every word of it

has been very thoroughly considered. There they will find every purpose of this conference fully and carefully set forth categorically and in detail.

The first condition, which is of prime importance in the reconstruction of Europe, is to establish the relations of all countries on a basis of stable and enduring peace.

Then it proceeds to point out the financial methods which are necessary to meet the abnormal financial conditions in Europe due to debased and inflated currency and to the breakdown of exchange, the question of the position and status of central banks and banks of issue, the question of public and private credits, the question of transfer restrictions and of the technical assistance which is to be given to the countries. They are all set forth in very great detail in that particular document.

LIMITATIONS IMPOSED

Before I come to dwell upon—I will not say all these points; that would be obviously impossible, but on the principal objects of the conference—I should like to preface my statement by a reference to the limitations imposed on the scope of the conference.

The objection to the Cannes resolutions is not to what we are seeking to achieve, not to the fact that we have invited all the nations of Europe there, but to the fact that there are certain limitations on the scope of discussion, and the honorable members who are associated with the mover of the amendment, Mr. Clynes, object to those limitations. As those limitations are very important, I think I had better dispose of them at once.

I observe there were certain questions pressed last week by Mr. Asquith, whose absence I regret, with regard to what passed between the French Prime Minister and myself at Boulogne, and I understand that it is inferred that no limitations were introduced at the Boulogne conversations. That is not the case. There were no fresh limitations introduced at all. The limitations were the limitations which the honorable members will find embodied in this document. "Without injury to existing treaties." It is all summarized in that phrase.

These are not Boulogne limitations; they were introduced at Cannes. It would have been quite impossible to give a unanimous invitation from the allied powers for the summoning of the conference unless those limitations had been introduced, and I think these are just. I do not believe that such a body as is summoned to meet at Genoa could properly consider revision of existing treaties, even assuming that it is desirable.

EUROPE'S ECONOMIC POSITION

Take the two great questions which affect the economic positions of Europe, the two great questions embodied in the treaties, around which controversy and criticism are always ranged. One is the question of boundaries—the fact that Europe has been re-established and reorganized and that its economic limits have been broken up. The second is the question of reparations.

Let me just point out what the rearrangement of the boundaries of Europe comes to. In the main they were: Alsace-Lorraine restored to France; Poland resurrected, for instead of being divided among three great empires it became an independent national unit; the third was recognition of the independence of the Slavonic populations of Austria-Hungary. These are the three great

changes. Is there one of these provisions that any section of the House would wish to go back upon? If not, it is no use criticizing the treaties of Versailles and St. Germain because they readjusted the boundaries of Europe, unless you are prepared to say at the same time it was an unjust distribution.

But there is no doubt these changes added a new economic complication. The moment you create a new national unit, it is the desire of that unit that it should be a fiscal unit, that it should be an economic unit; and that has added one of the most serious complications to the economic situation in Europe. But obviously the Genoa Conference is not the place to enter into a revision of the boundaries which have been set up by treaties of that kind.

QUESTION OF REPARATIONS

I come to another limitation which has been urged with greater force than the one I have alluded to about the boundaries, and that is the question of reparations. The trouble in Europe has been attributed largely to the reparations exacted by the treaties of 1919. Those treaties did not create the reparations trouble. It is due to the fact not that you are asking reparations, but that there is something to repair.

If you alter the Treaty of Versailles, you do not wipe out reparations, you transfer them from Germany to France, England, and Belgium, but in the main to France. You would transfer the burden from the 60,000,000 of people who are responsible for the devastation to 40,000,000 who are victims of the devastation. (Ministerial cheers.) So it is no use criticising the reparations.

The point is, the damage is there. Has it to be made up and who is to pay it? If Germany does not pay it, France, England, and Belgium must pay. There is a very considerable difference between the payment of an external debt and the payment of internal obligations, and there are two considerations undoubtedly which ought to be borne in mind when you come to deal with the problem of reparations.

If we insist on payment by a war-exhausted country, it should be by no means confined to Germany. The second consideration is that Germany's ultimate capacity to pay must not be judged by her capacity at this moment, when, in common with the rest of Europe, she is struggling to recover from the exhaustion of the war. These two considerations must be taken into account whenever you are judging the problem of reparations, and neither of these questions will be judged at Genoa.

VERSAILLES TREATY MACHINERY

They ought to be judged by the machinery of the Versailles Treaty, which is very elastic. France could not possibly forego the right, which she has won at so much cost, to have adjudication in accordance with the treaty. I do not believe it would be fair to ask her, and she certainly could not be expected to submit to the judgment of a conference at which not merely Germany but Austria, Hungary, Russia, and the neutrals were to be represented. At any rate, it would be unfair to ask France to submit to a judgment vitally affecting her existence when she has her treaty rights in respect of reparations.

I have dealt with these two problems because I thought it important to make them clear at the outset, and also because they seemed to be the main subject of indictment against the proposals which I am submitting on behalf of the government. Now I come to the main theme in the conference, the establishment of peace credits, currency exchanges, transport, the machinery of international trade.

Many conferences have been held to discuss these questions, under the auspices of the League of Nations, at Brussels, Barcelona, and Geneva. They accomplished a good deal. Each of them advanced matters, but they did not accomplish all they sought to achieve. I am not criticizing them for that reason; I am not criticizing these conferences because they did not achieve all that their promoters had hoped.

CONFERENCES JUSTIFIED

Some progress was registered by each. It is a mistake to imagine that because a conference has not achieved everything it has been promoted to consider, therefore that conference has failed. If you proceed upon that assumption, Europe will never be restored.

You must not be too easily cast down or disappointed. There must be patience, perseverance, and continuity. If any progress is made toward a solution by any particular conference, that conference has justified its existence.

I do not understand this condemnation of conference coming from the Labor Party. They have been brought up on conferences. (Laughter.) In fact, they are their methods of letting off overpressure of steam. Their views always have been that in a multitude of conferences there is safety, if not wisdom. (Laughter.)

Mr. SEXTON: Imitation is the sincerest form of flattery.

Mr. LLOYD-GEORGE: Therefore I cannot understand their protest against conferences. I would earnestly appeal to all those who are disposed to criticize conferences to hesitate before they tie their hands in advance. This government will not last forever. (Ironical cheers and laughter.) I have been assured that we are a dying coalition, and I therefore have the privilege of a dying minister to give my last words of advice. (Laughter.)

UTTERS WORD OF WARNING

I do not know who will succeed us (more laughter), but I should say their complexion will be piebald. Judging from the criticisms of these conferences that appear in the papers, I should say that the new government will have its principles enunciated and expounded by the *Morning Post*, the *Daily Herald*, the *Westminster Gazette*, the *Daily Mail*, and *Comic Cuts*. (Laughter.) I do not mention the *Times*, for it is only a tasteless rehash of the *Daily Mail*. But I should like to utter one word of kindly warning to this grotesque conglomeration not to tie their hands in advance about conferences. . . .

At Genoa there will be gathered together representatives of nearly 30 nations. You may say, what is the need of so momentous a gathering? Because Europe, as a result of the war, from the Atlantic to the Urals, is a devastated area. Some countries suffered more, some suffered less; but there is no country at the moment

which is not suffering from the consequences of the great war.

What is the first problem—I do not say the first in importance, but one of the most essential with which we have to deal? It is the restoring of the machinery of international trade. All those who have been engaged in international trade know what a complicated machine it is; how delicate, how fragile, and how it took centuries of constant effort to build it up and to improve it. It was working well before the war, but it is now exactly as if a bomb had been thrown into the machine and shattered it.

There are improvisations.

METHODS OF BARTER

We have had in some countries to fall back upon primitive methods, methods of barter. Commerce between certain countries is where it was thousands of years ago.

Why? Because we have not got the complicated, fine, and delicate machinery we had before the war. It is no longer working between the nations. What is the effect? Any one who will look at the figures of international trade can see for himself.

Last year our international trade was only 50 per cent of what it was before the war. The international trade of Germany was about 25 per cent. The percentage of French trade was lighter by 57 per cent; that was due to the fact that Alsace-Lorraine and the Sarre Valley had been added practically, for economic purposes, to France, and the exports from those regions have been added to French exports. But still, apart from that, the export trade of France is probably down one-half.

That necessarily affects home markets. We are a country dependent more probably upon international trade than any other country in the world. Thirty per cent of the output of this country is exported, or, at least, it was before the war. Last year 24 per cent of the output was exported. In addition to that, we have invisible exports very considerably reduced last year. That depresses the home market, because the population have not the same means of purchasing goods if they are deprived of that great trade of buying and selling and carrying abroad. Therefore this is the problem of most vital importance to the population of this country.

TRADING WITH THE COLONIES

There is another aspect which I would like to bring to the notice of the House, because it has a great bearing upon what we are proposing at Genoa. We are often asked the question, "If you have lost your trade in Europe, cannot you make it up by trade with your colonies and other parts of the world?"

The world is one trade unit. (Cheers.) Customers—our customers—depend on their sales to pay for goods that we sell them. Take India. The purchases of India in this country have gone down very considerably. India is not buying from this country what she bought before the war. There is no doubt at all that the organized opposition to British trade there has something to do with it, but the reason is that India has always paid us for goods we sell her by the proceeds of her sales to other European countries. She pays us

from what she gets by selling to Germany, France, Austria, and Russia. In 1913 she sold £60,000,000 of tea to Russia alone and other commodities as well.

Therefore the trade of Europe is of the greatest importance, not merely directly, but indirectly, and unless you are prepared to restore the trade of Europe as a whole, our purchasers will not be in a position to pay for commodities which they get from us. That applies to India as well as to Australia, the Argentine, and every part of the world.

The fact that international trade has broken down is one which has affected this country very specially, and it is not merely because Europe is impoverished, but because machinery has been shattered. Cables have been cut. Trade is dependent upon currencies, exchange, and credit, and they have all broken down.

DIFFICULTIES FROM FLUCTUATIONS

I wonder whether some of my honorable friends who are not actually engaged in business with Europe have realized the enormous difficulty of doing business with a country whose exchange fluctuates not merely from month to month and week to week, but from day to day.

I am told that in Vienna a housewife has to consider in the morning whether she will pay her bills in the forenoon or in the afternoon. The same thing, I believe, applies to other capitals, where, between dates when an order is given and delivery, exchange may change by 10, 100, or 200 per cent. It is almost impossible for any one to do business under those conditions.

What is the reason currency has gone adrift? It has broken from its moorings; it is drifting helplessly. One of the first things to be attended to is the restoration of exchanges. We must have a sound basis to proceed upon in this country. Wonders have been achieved in this respect, and I think great credit is due to the Lord Privy Seal and the Chancellor of the Exchequer for pursuing under great difficulties a very sound financial policy.

But before trade can be fully restored it must have established everywhere convertibility of currency into gold, or its equivalent—convertibility of liquid assets lodged in banks of a country maintaining a free gold market. That will involve the revaluation of currency. The world cannot afford to wait until currency is restored to par. What matters is stabilization at a figure that can be maintained and which will, therefore, constitute a reliable basis of international commerce. That is one of the problems which will have to be considered at Genoa.

In order to achieve that, one of the first considerations is to induce the nations to balance their budgets. Until they do that, new issues of currency will debase currency, and exchange will become wilder and wilder.

INTERNATIONAL CONFERENCE

That is a matter on which pressure could undoubtedly be exercised at a great international conference of the leading ministers of the various nations.

But, above all, it is essential that there should be real peace among the nations. Until that is established traders, financiers, and merchants are unnerved.

The gathering of armies on frontiers—red armies, white armies, and armies of many other colors—leads me to, perhaps, the most controversial part of the issues

that will come before the Genoa Conference, and that is the question of peace in Russia and peace with Russia. I am here approaching a subject where legitimate prejudices perhaps cloud reason.

The doctrine, demeanor, and actions of the Bolsheviks have been of a character that has excited wrath and just anger and made it exceedingly difficult to exercise calm and composed judgment when we come to deal with Russian problems.

Pitt was confronted with exactly the same problem over 100 years ago. A revolution provoked by intolerable wrong led to the wildest excesses and created bitter and fierce resentment in this country. He had to consider whether it was possible to make peace with men responsible for excesses. He first of all endeavored to make peace with the French revolutionaries in 1796 and he failed. He sent plenipotentiaries for that purpose in 1797. Failure was due to the French delegates making impossible claims. The doctrine which he then laid down was that, however odious was the character of the government, if peace was desirable it was anxiously to be sought.

Those are the principles on which we should proceed in approaching this difficult and dangerous topic of endeavoring to make peace with a government whose principles are just as odious, whose actions are just as loathsome, as the actions of the Terrorists in 1792 and afterward in France. Mr. Pitt failed, entirely through the fault of the French Revolution. He had an embarrassment which I am not suffering from. He had a good many "die-hards" in his cabinet. (Laughter and cheers.) In fact, I believe the most brilliant member of his cabinet took very extreme views upon that subject.

EUROPEAN PEACE ESSENTIAL

But in spite of that difficulty with which he had to deal, a difficulty I am absolutely free from (laughter), Mr. Pitt put forward these proposals, and it was only the folly of the French revolutionaries that was responsible for the consequences.

Mr. Pitt realized that unless peace was made with the French revolutionaries there would be no peace for many long, devastating years, and there was none for 18 years after that failure.

Well, we are not at peace until peace is established. I am going to speak quite frankly: I do not believe we are going to restore trade, business, and employment until you have peace throughout the whole of Europe. There will be a constant element of disturbance, trade will not go on, and the nerves of commerce will be shaken.

There are constant rumors of great armies being built up of hordes of savage revolutionaries, ready to burst upon Europe and reduce the countries of Europe to the same condition. I hope this will be treated seriously (cheers), because I am sorry to say that these rumors are not without some foundation—hordes of revolutionaries to reduce the countries of Europe to the same terrible condition of famine, pestilence, and desolation which afflicts Russia.

Naturally, there is great apprehension. You cannot tell what is happening. There it is an impenetrable jungle. One of the evils of a revolution is that all opinions about a revolutionary country partake of the violence of the revolution itself, whether they are for revo-

lution or against it. There are no moderate opinions about a revolution in a country, never.

DANGER OF RUMORS

Whether these rumors are true or whether they are unfounded, whether they are inventions, or whether they are exaggerated, I cannot tell. This I know: in trade and business, rumors are facts. Whether they are facts or not in themselves, I am sorry to say, does not make all the difference it ought to. The mere fact that there is a rumor which is created makes trade impossible. What difference will this make? First of all, if a trader is introduced there, he will know the facts. In the second place, if he is once introduced there, it will be to the interest of the country itself to retain him, and they will not retain him if these rumors are true.

There is another thing: The fact of your having these great revolutionary armies, or the belief that they exist, is used as an excuse or made to be real justification for huge armies in other countries. There was refusal to discuss the question of land armaments at the Washington Conference, and one of the reasons given was that there was the enormous Red army in Russia which menaced Europe, and therefore no country in Europe could reduce its land armies. They will never be reduced until there is peace in Europe.

Another reason is that Europe needs what Russia can supply. Before the war a quarter of the exportable wheat supply of the world came from Russia. Millions of tons of barley and rye and great quantities of the flax required in Europe, half the world's output of hemp, and half the timber imported into the United Kingdom came from Russia. Russia, in fact, is the greatest undeveloped continent in the world.

It has labor. It needs capital. It will not get capital without security, confidence, and peace, internal as well as external. Germany cannot pay the full demands of reparations until Russia is restored.

CANNES CONDITIONS

What are the conditions laid down at Cannes? I am not yet going through them in substance.

They mean that Russia must recognize all conditions imposed and accepted by civilized communities as the test of fitness for entering into the comity of nations. She must recognize her national obligations.

The country which repudiates her obligations because she changes her government is a country we cannot deal with, certainly in these days when governments change so often.

Russia cannot pay immediately. Nobody expects that she can. M. Poincaré said the other day that he acknowledged France's debt to America, but if she were called upon immediately to pay she could not do so, owing to her position. That is equally true of Russia. But she must shoulder the responsibility as France and Britain have done, and acknowledge it. The moment she does that, it adds to its value. The mere possibility has increased the value already. In France there are millions of frugal people who have their savings in Russian securities. It is impossible for France to deal on equal terms with a country which declines to acknowledge its obligations. Where the property of our nationals has

been confiscated, it must be restored, if not destroyed, and I am told that there is a good deal still there. I was told by a gentleman the other day who has some property there that the factories are still there. The property must be restored, and compensation paid for what has been destroyed.

Impartial tribunals must be established, with free access to them by the nationals of all countries, and these tribunals must not be creatures of the executive. There must be complete cessation of attacks upon the institutions of other countries. (Cheers.) There must be an understanding that there will be no aggressive action against the frontiers of their neighbors. The compact which is embodied in the League of Nations will have to be extended in principle to Russia, so that Russia shall undertake not to attack her neighbors, and her neighbors must undertake a corresponding obligation not to attack her frontiers. The only difference would be that I do not think we could undertake the responsibility we have under clause 10 of the League of Nations of defending her frontiers if they are attacked.

WILL RUSSIA ACCEPT TERMS?

Is Russia prepared to accept these conditions? There are indications of a complete change of attitude. The famine has been a great eye-opener to Russia as to her dependence upon her neighbors and as to the futility of the scheme of things which the Soviet Government has propounded as the method of solving the problems of life. New decrees recognize property, set up courts, and acknowledge responsibilities.

I would call the attention of the House to a very remarkable speech in which this new policy was propounded. It was propounded on November 1, 1921, in a speech by Lenine. It was an admission of the complete failure of the Communist system, and in that respect was a singularly courageous speech. He admits they have been wrong, that they have been beaten, and points out that the result of Communism has been to destroy the very proletariat upon whom they are dependent. . . .

With capitalism and industrial production goes the proletariat, inasmuch as while large capitalist interests have been undermined and works and factories stopped, so has the proletariat disappeared. With the disappearance of the capitalist, that of the workman follows. That is the doctrine of Lenine, a very remarkable admission to make.

It is worth one's while to read this very remarkable condemnation and exposure of the doctrine of Karl Marx. Lenine is not only a living exponent, but the greatest exponent of those doctrines. He is the one man who has ever tried honestly to put those doctrines into operation. He had a whole country at his disposal, a country of infinite resources, a population of 120,000,000 or 150,000,000, great armies which have defeated all enemies and counter-revolutions.

He had complete control. There was never a man so complete dictator. He tries the experiment, he sees the failure, and that the only result has been to destroy the very people who are supposed to be the prime beneficiaries, the workers. (Cheers.)

REAL BASIS FOR PEACE

If this represents the real determination of Russia in its dealings with the world, in its dealings with the West, respect for private property, respect for the rights of individuals, fair play for those who make investments there, acknowledgment of honorable debts incurred by people who put their savings, very often of a lifetime, into Russian investments, then there is a real basis on which we can found peace.

Russia needs equipment, transport, agricultural implements, repair of old machinery and provision of new, for its mines, for its works. It needs clothing. If such a peace is to be achieved, that is if such a peace as I have indicated can be achieved, it will be necessary that there is substantial agreement among the experts of all nations as to the working out of these conditions. Of course, the peace will have to be submitted to the House of Commons for approval and ratification.

Now I come to the question which is in the minds of a good many of my friends. What recognition of Russia would this involve? It would involve no further recognition until the House of Commons approved, none until after approval. The stages of recognition would be those which ensued after most of the peace treaties, not all. I will explain.

It would involve access by other countries and their nationals to the ports of Russia. It would involve access by Russia and her nationals to our ports. Without this full legal status, business would be quite impossible. It would involve the establishment of the usual agencies by which a trader in foreign lands is protected. The nominations for these agents must be entirely subject to the approval of governments in both cases.

DIPLOMATIC RECOGNITION

What would it involve in the way of diplomatic recognition? The feeling has been very generally expressed that, before full and ceremonial diplomatic representation is accorded, a probationary period should be interposed. Some diplomatic representation on both sides is essential; otherwise business cannot be effectively transacted or business men protected. It is, however, felt that the character and extent of diplomatic representation depends not merely on the conditions which Russia is prepared to accept, but upon the actual proof which she can give us of her *bona fides*.

Let me say quite frankly that the way in which some of the more important clauses of the trade agreement have been violated has not been encouraging. Propaganda, interference in our countries and in other countries in which we are interested, has not ceased as completely as we had a right to expect when the document was signed. It is not for us to dictate to the Genoa Conference, but it is necessary that we should indicate beforehand what our views are upon this most important subject and upon the policy with which the British delegates enter the conference.

Until the House of Commons ratifies, there can be no change in the representation or in the extent of diplomatic recognition of Russia. If this agreement is ratified, then this course will be pursued in the case of Germany. After signature of treaty, we can proceed by steps. The powers wished, in the case of Germany, be-

fore exchanging ambassadors, that a reasonable interval should intervene to test their *bona fides*.

FULL CEREMONIAL RELATIONS

There will be no full diplomatic representation in the case of Russia, as there was in the case of Germany, until the powers are satisfied that Russia is really endeavoring to carry out the terms of her undertaking.

That interval is one which is usually established in the case of peace between nations. Russia will be represented here by a chargé d'affaires until that period, and we shall be represented in Russia by a corresponding official until such period as we feel it desirable to establish full ceremonial diplomatic relations.

In the case of Germany, that was accorded 12 months after the signature of peace and six months after ratification by all the powers. That would represent the period of probation which it would be wise to establish in the matter of ceremonial diplomatic representation in order to receive necessary guarantees, not merely on paper but in practice, that the Russian Government intended not only themselves to honor the obligations of the treaty, but that they have established sufficient control over the extremists and powerful organizations in their midst who are now engaged in challenging the new policy of the Soviet Government.

Those will be the conditions which we propose that the British delegation should submit to the Genoa Conference.

Sir CHARLES YALE: Does that mean one year?

Mr. LLOYD-GEORGE: It means until the powers are satisfied that Russia is carrying out in a *bona fide* spirit the obligations which she has incurred. It might mean more; it might mean less. It will be left to the powers to decide according to the way in which Russia is carrying out her obligations. That was the case with Germany before full ceremonial diplomatic representation was accorded.

THE ALTERNATIVE

I do not suppose that for some time the full benefit of such an arrangement would be reaped, but it would open out undoubtedly a new outlook for trade, and the effect from the psychological point of view would be great.

What is the alternative? The alternative is that you should do nothing until one day it is reported that the Soviet Government has disappeared and that a government of a totally different character has been set up in Russia. When is that going to happen? I have heard predictions every year that this government was coming to an end in 1919, 1920, 1921. This is 1922. Is any one here ready to pledge his political reputation upon the prediction that 1922 will see the government out, or even 1923? Until then nothing will happen. The world cannot afford it.

Are my honorable friends quite sure that if this government disappears you will have not exactly the same experience as you had in the past, or even worse governments to succeed it, perhaps a militarist government which would embroil Europe?

It is our business, it is our duty, to see the establishment of complete peace throughout the whole of Europe, with a view to dealing with the serious problems of trade and unemployment which are confronting us at the moment.

THE BY-ELECTION DEFEATS

I have seen articles in French papers saying this government in England is losing support and we shall see something different. Yes, we suffered a reverse in three constituencies. There were three men there (pointing to the Labor benches) before election who would have voted for the enforcement of the Treaty of Versailles in all its terms. There are three men there now who will vote against it. There were three men there who would have voted for a very cautious approach to the Russian Government. There are three men in these seats now who would vote for unqualified recognition. Let us face these facts.

I have great respect for my honorable friends, although I do not agree with them; but at the moment opinion is not in that direction—it is from that direction. We are proposing, I consider, a moderate policy—a cautious policy. I am not sure, perhaps, an overcautious policy. We are doing our best to work in partnership with France, with whom we worked for four or five of the most terrible years that any nation could pass through, and we have so far done our best to keep step with France in approaching Russia.

We have taken into account all reasonable prejudices against these people who have outraged every sentiment that is dear to the vast majority of the people of this country. But, believe me, unless peace is made, if we fail because these men will not go as far either here or elsewhere, the movement is not in their direction, the movement is away. Let them be wise in time of propounding these measures in all conscience. We believe the people of England demand them. Europe needs them, the world is crying for them. (Loud cheers.)

SOME FALLACIES IN RESPECT TO NEAR EASTERN AFFAIRS

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A PART from the disturbance in the value of concepts and in the connotation of terms, brought about by the shattering effects of the World War; apart from the unchecked inroads of slang which, during the last few years, have flooded almost every European language, what is very noticeable and worthy of closer examination are certain expressions which have gradually become current in journalism in connection with affairs in the East. Their wrong attributions convey a misleading conception to the lay reader, and gradually become crystallized so as to denote accepted facts, whereas they misrepresent the events they are supposed to record. Every student of language is aware of the powerful influence which the form and manner of expression has on the very ideas which it is intended to convey. A loose form of language inevitably reacts on the intellect, in the same way that chaotic notions can never be formulated in terms which may stand the test of rational examination.

INACCURATE TERMINOLOGY

Eastern affairs, like the rest of European politics, are sufficiently complex without the added terror of a mis-

leading terminology. For instance, why use the word "Balkans" in a deprecatory sense, as signifying a state of affairs in constant unrest and complication—a mixture of jealousies, lawlessness, upheavals? Even the verb to "Balkanize" and the term "Balkanization" have been coined to express such a state of things. Now, "Balkans" is the Turkish name given to the central range of mountains known to the Greeks as the Hæmos, and no educated or self-respecting Greek would discredit himself by speaking of "the Balkan Peninsula," which the Greeks, from time immemorial, know as the Peninsula of the Hæmos, or as the Illyrian Peninsula. That the western Europeans have preferred to adopt the uncouth Turkish appellation is one of those linguistic manifestations which betray the inner workings of the mind. It was the policy of the great European powers which kept that distressful peninsula in a state of constant upheaval and ferment for the last two and a half centuries. Their mutual jealousies, their rival claims, their conflicting policies, some powers bolstering up the Porte, while others fomented insurrections never meant to result in the liberation of the subject races, which they thus cruelly betrayed, their intrigues among the Christian States, which they sought to enfeeble and control by setting one against the other—these were the real causes for the unsettled state of those unfortunate countries.

THE TURK'S CHANGING ALLIES

But even in the absence of such irritants, what peace, what law, what security, what rest, could have been expected under the unspeakable rule of the Turk, whom each one of the European powers in turn adopted as an ally and cherished as a friend and protector? Independently, however, of these considerations, which in justice cannot be stated in milder terms, it may be affirmed, without fear of contradiction, that the rest of Europe has, for the last half century at all events, been more thoroughly "Balkanized" than that southeastern peninsula.

The relations of the western, central, and northern European powers have been more troubled, more precarious, fraught with greater danger, and they resulted in more appalling disasters than anything which the relations between the States liberated from Turkey can show. But one of the prerogatives of the "Great Powers" appears to have been to indulge freely in the very acts for which they professed horror when they found them occurring, though in a much less serious form, among the lesser European fry. Acquisitiveness, aggressiveness, unfairness, intrigue, and violence were viewed as the special rights for the strong; but these failings became "Balkanism" with the weak.

"Imperialism" again is tacitly held to be the preserve of the mighty; but it becomes a damning offense when suspected of a people struggling for freedom and unity, as in the case of Greece, to be presently considered.

Let us first understand what "imperialism" really is, in the sense in which this term is used in relation to present-day politics. It is the policy of an autocracy, and not rarely of a professing democracy, which seeks to subjugate and annex peoples and lands of an alien race, against their will, as the result of a war of con-